

Message Text

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PAGE 01 QUITO 06944 171653Z

47

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-07 NEA-10 ISO-00 SSO-00

NSCE-00 INRE-00 USIE-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 /114 W

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O R 171506Z SEP 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC IMMEDIATE 7293

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY BEIRUT

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMCONSUL GUAYAQUIL

USMISSION OECD PARIS

C O N F I D E N T I A L QUITO 6944

E.O. 11652: GDS

TAGS: ENRG EC

SUBJECT: OPEC OIL DECISION

REF: STATE 217382

1. I CONVEYED CONTENTS PARA 2A-D REFTTEL TO NEW MIN NATURAL
RESOURCES DUENAS EVENING SEPTEMBER 16. AT CONCLUSION MY
REMARKS I SAID I HAD NOTED HIS RECENT PRESS STATEMENTS
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INTER ALIA QUITO 6943(NOTAL) DECLINING TO EXPLAIN WHAT

POSITION ECUADOR WOULD TAKE IN VIENNA AND CHARACTERIZING OPEC DECISIONS AS "SUGGESTIONS" NOT BINDING ON THE COUNTRY. WHAT COURSE DID ECUADOR PLAN TO FOLLOW, I ASKED?

2. DUENAS REPLIED THAT HE HAD SENT HIS REPRESENTATIVES TO THE PREPARATORY MEETING WITH INSTRUCTIONS TO FIND OUT WHAT THE MAJORITY WANTED. THEY CARRIED WITH THEM A STUDY WHICH HE VAGUELY CHARACTERIZED AS HAVING TO DO WITH COMPARATIVE PETROLEUM PRICES. HE SAID THAT, AS I KNEW, OPEC DECISIONS WERE TAKEN UNANIMOUSLY. HE UNDERSTOOD SAUDI ARABIA WAS OPPOSED TO A PRICE RISE AND WAS TRYING TO ORGANIZE A "FRONT" AGAINST IT; IRAN, HOWEVER, WAS STRONGLY IN FAVOR OF A RISE. HE PLANNED TO GO TO VIENNA AND SEE THE LAY OF THE LAND BEFORE MAKING A DECISION, DUENAS SAID. I REPEATED WHAT I HAD PREVIOUSLY SAID, NAMELY THAT I HOPED HE AND THE GOE WOULD GIVE PROPER CONSIDERATION TO THE CONCERNS OF THE USG WHICH I HAD EXPRESSED. HE REPLIED THAT HE WOULD DO SO WITHIN THE CONTEXT OF ECUADOR'S OWN INTERESTS.

3. COMMENT: I BELIEVE DUENAS WILL GO ALONG WITH WHAT THE MAJORITY WANTS SO LONG AS THAT DOES NOT DAMAGE ECUADOR'S PERCEIVED INTERESTS. THIS ATTITUDE IS CONSISTENT WITH THE GOE'S ROLE IN OTHER INTERNATIONAL ORGANIZATIONS AS WELL AS WITH ITS STATUS AS ONE OF OPEC'S SMALLEST EXPORTERS. IF OPEC SHOULD DECIDE ON A PRICE RISE, ECUADOR WILL TRY TO ENSURE THAT ITS PETROLEUM HAS A PRICE ADVANTAGE BY NOT RAISING ITS PRICE OR NOT RAISING IT BY THE AMOUNT RECOMMENDED. WITH THE AUGUST 31/SEPTEMBER 1 COUP ATTEMPT FRESH IN ITS MIND, THE GOE KNOWS THAT THE CONTINUANCE OF PETROLEUM REVENUES IS VITAL TO ITS SURVIVAL.
BREWSTER

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